

**REPORT OF THE AUDIT OF THE
FORMER JACKSON COUNTY
SHERIFF**

**For The Year Ended
December 31, 2014**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

AUDIT OF THE
FORMER JACKSON COUNTY SHERIFF

For The Year Ended
December 31, 2014

The Auditor of Public Accounts was engaged to audit the fee account activities of the former Jackson County Sheriff's office for the year ended December 31, 2014. Based upon the audit work performed, we have issued a disclaimer of opinion on the financial statement.

Based upon our assessment of audit risk, we determined the risk of fraud to be too high to issue an opinion and we were unable to apply other audit procedures to overcome this risk. In addition, the former Jackson County Sheriff's office had serious weaknesses in the design and operation of its internal control structure and accounting functions.

Report Comments:

- 2014-001 The Former Sheriff Failed To Manage The Financial Activities Of His Office
- 2014-002 The Former Sheriff Did Not Comply With The Uniform System Of Accounts
- 2014-003 The Former Sheriff Office Lacked Adequate Segregation Of Duties
- 2014-004 The Former Sheriff Did Not Issue Receipts In Accordance With KRS 64.840
- 2014-005 The Former Sheriff Did Not Ensure Monies Collected Were Secured And Handled Properly
- 2014-006 The Former Sheriff Did Not Obtain A Salary Cap For Deputies' Salaries
- 2014-007 The Former Sheriff Did Not Make Fee Pooling Payments In Accordance With The Fee Pooling Ordinance
- 2014-008 The Former Sheriff Should Collect And Remit Payments As Recommended In Order To Close Out The Calendar Year 2014 Fee Account
- 2014-009 The Former Sheriff Did Not Resolve Unsettled 2013, 2012, And 2011 Fee Receipts, Liabilities, And Deficits
- 2014-010 The Former Sheriff Did Not Publish Information Required By KRS 91A.040

Deposits:

The Sheriff's deposits were insured and collateralized by bank securities or bonds.

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Shane Gabbard, Jackson County Judge/Executive
The Honorable Denny Peyman, Former Jackson County Sheriff
The Honorable Paul Hays, Jackson County Sheriff
Members of the Jackson County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We were engaged to audit the Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the former County Sheriff of Jackson County, Kentucky, for the year ended December 31, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on conducting the audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Guide for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The former Sheriff did not maintain adequate accounting records of fee account receipts and disbursements to allow us to apply other auditing procedures to satisfy ourselves as to the validity of fee account receipts and disbursements, which resulted in a high level of audit risk. Auditors were also unable to obtain a representation letter from the former Sheriff. Due to the apparent lack of internal controls and the above noted issues, we were unable to reduce the audit risk to an acceptable level.



The Honorable Shane Gabbard, Jackson County Judge/Executive
The Honorable Denny Peyman, Former Jackson County Sheriff
The Honorable Paul Hays, Jackson County Sheriff
Members of the Jackson County Fiscal Court

Disclaimer of Opinion

Because of the significance of the matters described in the basis of Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statement.


Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015 on our consideration of the former Jackson County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the former Jackson County Sheriff's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

Based on the results of our audit, we have presented the accompanying comments and recommendations, included herein, which discusses the following report comments:

- 2014-001 The Former Sheriff Failed To Manage The Financial Activities Of His Office
- 2014-002 The Former Sheriff Did Not Comply With The Uniform System Of Accounts
- 2014-003 The Former Sheriff Office Lacked Adequate Segregation Of Duties
- 2014-004 The Former Sheriff Did Not Issue Receipts In Accordance With KRS 64.840
- 2014-005 The Former Sheriff Did Not Ensure Monies Collected Were Secured And Handled Properly
- 2014-006 The Former Sheriff Did Not Obtain A Salary Cap For Deputies' Salaries
- 2014-007 The Former Sheriff Did Not Make Fee Pooling Payments In Accordance With The Fee Pooling Ordinance
- 2014-008 The Former Sheriff Should Collect And Remit Payments As Recommended In Order To Close Out The Calendar Year 2014 Fee Account
- 2014-009 The Former Sheriff Did Not Resolve Unsettled 2013, 2012, And 2011 Fee Receipts, Liabilities, And Deficits
- 2014-010 The Former Sheriff Did Not Publish Information Required By KRS 91A.040

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

December 17, 2015

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Shane Gabbard, Jackson County Judge/Executive
The Honorable Denny Peyman, Former Jackson County Sheriff
The Honorable Paul Hays, Jackson County Sheriff
Members of the Jackson County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards**

Independent Auditor's Report

We were engaged to audit the Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the former Jackson County Sheriff for the year ended December 31, 2014, and have issued our report thereon dated December 17, 2015, wherein we disclaimed an opinion on the financial statement because the former County Sheriff failed to maintain adequate accounting records and lacked adequate internal controls resulting in high audit and fraud risk.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the former Jackson County Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the former Jackson County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the former Jackson County Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying comments and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying comments and recommendations as items 2014-001, 2014-002, 2014-003, and 2014-005 to be material weaknesses.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the former Jackson County Sheriff's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying comments and recommendations as items 2014-002, 2014-004, 2014-005, 2014-006, 2014-007, 2014-008, 2014-009, and 2014-010.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mike Harmon", with a long horizontal flourish extending to the right.

Mike Harmon
Auditor of Public Accounts

December 17, 2015

COMMENTS AND RECOMMENDATIONS

JACKSON COUNTY
DENNY PEYMAN, FORMER SHERIFF
COMMENTS AND RECOMMENDATIONS

For The Year Ended December 31, 2014

FINANCIAL STATEMENT FINDINGS:

2014-001 The Former Sheriff Failed To Manage The Financial Activities Of His Office

The former Sheriff failed to manage the financial activities of his office by not maintaining complete and accurate financial records, as further discussed comment 2014-002. The former Sheriff failed to prepare receipts and disbursements ledgers, monthly bank reconciliations, and quarterly reports. Due to numerous errors and incomplete financial records noted in the following comments and recommendations, we could not verify the accuracy of the former Sheriff's financial activities. Inaccurate and incomplete financial reports can lead to improper financial decision making, as well as increase the risk of undetected errors or fraud. Due to the lack of financial records, we were unable to express an opinion on the former Sheriff's financial statement.

The former Sheriff needed to improve his financial practices and internal controls, as discussed in comments 2014-002 and 2014-003, to ensure that proper information was submitted in a timely manner and was not misleading to users of the information. The former Sheriff's past practices created an environment for potential material misstatements to occur in the financial statement, allowing them to go undetected. Since the former Sheriff continued his poor financial practices and did not improve the internal control structure as recommended in 2014-003, taxpayer monies continued to be at risk. KRS 68.210 gives the State Local Finance Officer authority to prescribe minimum accounting requirements. The former Sheriff should have prepared complete and accurate financial reports that were supported by the ledgers and bank activity of his office.

Former Sheriff's Response: No response.

2014-002 The Former Sheriff Did Not Comply With The Uniform System Of Accounts

Multiple year audit findings represent the former Sheriff's failure to comply with the Uniform System of Accounts. KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. This system of accounts required the Sheriff to maintain accurate recording of receipts by source and expenditures by payee, and to fulfill all other legal requirements relating to the oversight and management of public funds by his office. The former Sheriff failed to comply with the minimum requirements of the Uniform System of Accounts in the following areas:

- Deposits were not made intact daily.
- Daily checkout sheets were not prepared timely.
- Receipts and disbursements ledgers were not prepared.
- Bank reconciliations were not prepared monthly.
- Quarterly reports were not prepared and submitted to the Department for Local Government as required.
- Annual financial statement was not prepared.

Failure to complete these tasks resulted in inadequate oversight and accountability for financial activity, as well as increased the risk of undetected errors or fraud.

JACKSON COUNTY
DENNY PEYMAN, FORMER SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Year Ended December 31, 2014
(Continued)

FINANCIAL STATEMENT FINDINGS (CONTINUED):

2014-002 The Former Sheriff Did Not Comply With The Uniform System Of Accounts (Continued)

The former Sheriff should have complied with the Uniform System of Accounts by timely preparing daily checkout sheets, ensuring deposits were made daily, maintaining receipts and disbursements ledgers, reconciling ledgers to bank activity, and preparing and submitting financial records to the Department for Local Government.

Former Sheriff's Response: No response.

2014-003 The Former Sheriff's Office Lacked Adequate Segregation Of Duties

The former Sheriff's office lacked adequate segregation of duties over receipts, the reconciliation process, and other general areas, which further contributed to the inability to rely on his financial information. During our review of internal control, we noted that one individual was primarily responsible for all receipt/reconciliation functions, including opening incoming mail, receiving and recording cash, preparing bank deposits, preparing the daily checkout sheets, preparing bank reconciliations, and preparing the financial reports. No evidence of official oversight of any office functions was found.

This lack of oversight in internal controls contributed to the failure to prepare and maintain accurate records, failure to prepare and submit reports, and failure to make daily deposits intact, as noted in comment 2014-002. Segregation of duties or the implementation of compensating controls is essential for providing protection against asset misappropriation and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily duties.

A limited budget placed restrictions on the number of employees the former Sheriff could hire or delegate duties to. When faced with a limited number of staff, strong compensating controls should have been in place to offset the lack of segregation of duties.

The former Sheriff should have separated the duties of collecting receipts, preparing daily deposits, preparing and mailing disbursements, and preparing financial reports. If these duties could not be segregated due to a limited number of staff or a limited budget, then strong oversight should have been provided to the employee responsible for these duties and this oversight should have been documented.

Former Sheriff's Response: No response.

JACKSON COUNTY
DENNY PEYMAN, FORMER SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Year Ended December 31, 2014
(Continued)

FINANCIAL STATEMENT FINDINGS (CONTINUED):

2014-004 The Former Sheriff Did Not Issue Receipts In Accordance With KRS 64.840

The former Sheriff did not prepare receipts for all funds collected. Only two receipt books were located for calendar year 2014. As a result of this, receipts were not issued in numerical order and could not be accurately compared to daily checkout sheets. KRS 64.840(1) requires all county officials to issue a receipt for “any fine, forfeiture, tax, or fee.” In addition KRS 68.210 gives the State Local Finance Officer the authority to prescribe a Uniform System of Accounts. The minimum requirement for handling public funds as stated in the *Instructional Guide for County Budget Preparation and State Local Finance Officer Policy Manual* requires receipt forms be issued for all receipts. Failure to issue receipt forms for receipts collected can result in undeposited receipts or receipts not being recorded on the receipts ledger. Failure to deposit or record receipts can reduce the amount of operating funds for the Sheriff’s office and can reduce the amount of excess fees paid to the Fiscal Court. The former Sheriff should have prepared receipts for all monies received by his office. Furthermore, the former Sheriff should have issued receipts in triplicate, with one copy given to the customer, one copy filed with daily checkout sheet, and one copy filed in the book of original entry.

Former Sheriff’s Response: No response.

2014-005 The Former Sheriff Did Not Ensure Monies Collected Were Secured And Handled Properly

The following occurred during calendar year 2014:

- Receipts and disbursements ledgers were not prepared.
- Bank reconciliations were not prepared monthly.
- Daily checkout sheets were not supported by copies of receipts issued.
- Neither the daily checkout sheet nor bank deposit ticket separated cash from checks deposited.
- Daily collections were not deposited in a timely manner. There were abnormal delays in the deposits of funds. For example, deposits made in June 2014 were made up of funds received as far back as December 2013.
- There were many instances where a deposit was made up of receipts consisting of multiple days. Using the previous example, the June 20, 2014 deposit included dates ranging from January 8, 2014 through June 20, 2014. Another deposit made on June 20, 2014 included receipts with dates ranging from February 5, 2014 through March 7, 2014.
- The former Sheriff had undeposited checks that totaled \$995.

This failure to properly secure and handle monies collected resulted in inaccurate and incomplete financial reporting, along with the increased possibility of misappropriation of assets. This condition was a result of not providing necessary training for the bookkeeper and the lack of management oversight. The Department for Local Government, pursuant to KRS 134.160, requires that Sheriffs shall keep an accurate account of all moneys received and all disbursements made, balance all accounts on a monthly basis, and all payments received by the Sheriff shall be entered immediately onto the Sheriff’s books. The former Sheriff should have implemented controls over collections to ensure that receipts were properly made and deposited to the fee account. The former Sheriff should have also complied with KRS 134.160 by ensuring monies received were deposited timely, accounts were balanced monthly, and all payments received were reported onto the former Sheriff’s books immediately.

JACKSON COUNTY
DENNY PEYMAN, FORMER SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Year Ended December 31, 2014
(Continued)

FINANCIAL STATEMENT FINDINGS (CONTINUED):

2014-005 The Former Sheriff Did Not Ensure Monies Collected Were Secured And Handled Properly
(Continued)

Former Sheriff's Response: No response.

2014-006 The Former Sheriff Did Not Obtain A Salary Cap For Deputies' Salaries

The former Sheriff did not have a deputy salary cap approved for calendar year 2014. Lack of communication between the former Sheriff's office and the Fiscal Court resulted in a non-compliance with KRS 64.530(3). While the Fiscal Court approved a budget for the former Sheriff's office for 2014 on January 14, 2014, they did not fix the annual maximum salary allotment for the former Sheriff's office in accordance with KRS 64.530(3). This statute requires the Fiscal Court to fix annually the maximum amount, including fringe benefits, which the Sheriff may expend for deputies and assistants, and allows the Sheriff to determine the number to be hired and individual compensation of each deputy and assistant. Failure to comply with KRS 64.530(3) could have resulted in the County paying excessive salaries. The former Sheriff should have obtained a salary cap for deputies from the Fiscal Court by using the "Annual Order Setting Maximum Amount for Deputies and Assistants" provided by the Department for Local Government and submitted it with the 2014 budget.

Former Sheriff's Response: No response.

2014-007 The Former Sheriff Did Not Make Fee Pooling Payments In Accordance With The Fee
Pooling Ordinance

The former Sheriff did not comply with the fee pooling ordinance put in place on November 13, 2012. The ordinance states that all income and fees collected by the Sheriff should be turned over to the County Treasurer on a weekly basis. The former Sheriff failed to make the weekly fee pooling payments in accordance with the approved ordinance. Payments made to the County Treasurer varied, with some payments being paid several months late. The total checks written from the former Sheriff's office to the Fiscal Court were 24. This did not meet the minimum requirement of the Fee pooling ordinance which required the former Sheriff to turn over fees weekly. Also, as determined by our audit, the former Sheriff still owes the County \$32,871 for receipts collected during calendar 2014, that have not been turned over as excess fees.

Failure to turn over fee pooling payments as required results in the Fiscal Court not having the necessary funds to pay the former Sheriff's expenses. The former Sheriff should have complied with the approved fee pooling ordinance by submitting weekly fee pooling payments to the County Treasurer.

Former Sheriff's Response: No response.

JACKSON COUNTY
DENNY PEYMAN, FORMER SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Year Ended December 31, 2014
(Continued)

FINANCIAL STATEMENT FINDINGS (CONTINUED):

2014-008 The Former Sheriff Should Collect And Remit Payments As Recommended In Order To Close Out The Calendar Year 2014 Fee Account

Based on the determination of fund balance noted below, additional excess fees (fee pooling payments) of \$32,871 are due to the Fiscal Court. The Department for Local Government, given the authority by KRS 68.210, requires a Uniform System of Accounts, which includes the proper collection of receivables and the distribution of fees to the appropriate entity. As noted in comment 2014-002, the former Sheriff failed to maintain complete and accurate records, resulting in insufficient funds being paid to the Fiscal Court. The former Sheriff should ensure that the receivables and liabilities shown below are collected and remitted to the appropriate entity.

Assets

Cash in Bank		\$	22,584
Receivables:			
Per Bank	\$	4,034	
Commission Payment due from 2013 Tax Account		4,946	
Commission Payment due from 2014 Tax Account		1,118	
Interest due from 2014 Tax Account		35	
Undeposited Receipts		995	
Add-on Fee Payment due from 2013 Tax Account		440	
Deposits in Transit		2,774	
Levied funds by Department of Revenue (Due from 2014 Tax Account)		5,816	20,158
Total Assets			42,742

JACKSON COUNTY
DENNY PEYMAN, FORMER SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Year Ended December 31, 2014
(Continued)

FINANCIAL STATEMENT FINDINGS (CONTINUED):

2014-008 The Former Sheriff Should Collect And Remit Payments As Recommended In Order To Close Out The Calendar Year 2014 Fee Account (Continued)

Liabilities

Paid Liabilities (Per Bank)	\$	9,250
Unpaid Obligations due to Fiscal Court:		
Due to Fiscal Court for Fees Collected	\$	2,774
Due to Fiscal Court for Interest Collected		72
Due to Fiscal Court for Telecom Receipts CY 2014		932
Due to Fiscal Court for Add-on Fees Collected		14,029
Undeposited Receipts due to FC as Excess Fees		995
Fees collected; due to Fiscal Court		155
Jan-Aug 2015; ACH from State; Due to Fiscal Court		49
Commissions due to Fiscal Court (\$4,946 from 2013 Tax Account)		
(\$1,118 from 2014 Tax Account)		<u>6,064</u>
Total Obligations due to Fiscal Court		25,070
Other Unpaid Obligation:		
Due to Incoming Sheriff for Telecom Receipts		<u>621</u>
Total Liabilities	\$	<u>34,941</u>
Total Additional Excess Fees	\$	<u><u>7,801</u></u>

Former Sheriff's Response: No response.

2014-009 The Former Sheriff Did Not Resolve Unsettled 2013, 2012, And 2011 Fee Receipts, Liabilities, And Deficits

Audit and follow-up procedures determined the former Sheriff has a deficit of \$28,169 in his 2013, 2012, and 2011 Fee Accounts. This is a direct result of prior years' fee receivables due, liabilities owed, and deficits not being properly resolved. As previously described in comments 2014-001, 2014-002, and 2014-003, the former Sheriff's past practices created an environment for potential material misstatements to occur in the financial statement, allowing them to go undetected. The lack of accurate records and bank reconciliations also resulted in the former Sheriff's prior years' fee accounts deficit. Unsettled items in the 2013, 2012, and 2011 fee accounts have been consolidated and noted below. In addition, as stated above, the former Sheriff has not eliminated the consolidated deficit of \$28,169. We recommend the former Sheriff collect the receivables identified above and deposit personal funds to cover the deficit, so the remaining liabilities can be paid.

JACKSON COUNTY
DENNY PEYMAN, FORMER SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Year Ended December 31, 2014
(Continued)

FINANCIAL STATEMENT FINDINGS (CONTINUED):

2014-009 The Former Sheriff Did Not Resolve Unsettled 2013, 2012, And 2011 Fee Receipts, Liabilities, And Deficits (Continued)

Assets

Cash In Bank		\$	54,492
Deposit In Transit			19,251
Collected Receivables			223,985

Uncollected Receivables:

Undeposited Receipts	\$	1,315	
Forest Service		1,263	
2011 Tax Account		24,296	
2011 Fee Account		28,868	
Jackson County Fiscal Court		878	
2012 Tax Account		29,120	
2013 Tax Account		17,637	
Former Sheriff - Denny Peyman		1,482	104,859

Total Assets			402,587
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Liabilities

Outstanding Checks	64,032
Paid Liabilities	182,100

Unpaid Obligations:

Jackson County Fiscal Court	\$	129,028	
2011 Tax Account		19,265	
2012 Tax Account		593	
2013 Tax Account		30	
2012 Fee Account		28,868	
Forfeiture Account		878	
Sheriff Deputy #1		146	
Sheriff Deputy #2		369	
KY Retirement System		1,253	
Federal		1,670	
Medicare		721	
State of Kentucky		1,293	
City of McKee		252	
Occupational Tax		159	
KY Dept. for Unemployment		100	184,624

Total Liabilities			430,756
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Total Deficit as of December 31, 2013		\$	(28,169)
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JACKSON COUNTY
 DENNY PEYMAN, FORMER SHERIFF
 COMMENTS AND RECOMMENDATIONS
 For The Year Ended December 31, 2014
 (Continued)

FINANCIAL STATEMENT FINDINGS (CONTINUED):

2014-009 The Former Sheriff Did Not Resolve Unsettled 2013, 2012, And 2011 Fee Receipts, Liabilities, And Deficits (Continued)

Former Sheriff's Response: No response.

2014-010 The Former Sheriff Did Not Publish Information Required By KRS 91A.040

The former Sheriff did not publish the information required in relation to the fee audit for calendar year 2013. Failure to publish the required information results in noncompliance with state law. KRS 91A.040 requires county officials to publish portions of the audit reports and the accompanying statements within 30 days of the release of the audit report:

- The auditor's opinion letter. (This letter is published by APA when an audit is released, so the Sheriff does not have to re-publish, just ensure it was published.)
- A statement that a copy of the complete audit report, including financial statements and supplemental information, is on file at the Sheriff's office and is available for public inspection during normal business hours.
- A statement that any citizen may obtain from the Sheriff a copy of the complete audit report, including financial statements and supplemental information, for his personal use.
- A statement which notifies citizens requesting a personal copy of the audit report that they will be charged for duplication costs at a rate that shall not exceed twenty-five cents (\$0.25) per page.
- A statement that copies of the financial statement prepared in accordance with KRS 424.220 is available to the public at no cost at the business address of the officer responsible for preparation of the statement.

The former Sheriff should publish required portions of his audit report for the fee account for calendar year 2014 along with the required accompanying statements within 30 days after the audit is released.

Former Sheriff's Response: No response.

